

AGENDA
EXECUTIVE FINANCE COMMITTEE

June 28, 2017 at 1:30 P.M.

Location: Treasury Conference Room, KC Admin. Bldg., Room 610 (6th Floor)

Committee Members: Councilmember Dave Upthegrove, Chair, Dwight Dively, Director PSB; Ken Guy, Director FBOD; Caroline Whalen, County Administrative Officer

Staff: Scott Matheson, Treasury Operations Manager; Mike Smith, Chief Investment Officer; Christine Denis, Credit Analyst; Bill Forristall, Business & Finance Officer IV

AGENDA ITEMS

1. **Action:** Approval of Minutes of the May 24, 2017 Executive Finance Committee meeting (pages 2)
2. **Briefing:** King County Housing Authority Credit Enhancement Program (pages 3-4)
Jaclyn, Moynahan, Project/Program Manager III, Community & Human Services
3. **Action: Interfund Loan of Surplus King County Cash (Chapter 4.24 of KC Code):** Approve the request from the Risk Abatement Fund 1396 to extend the term on its current loan from June 30, 2017 to August 31, 2017 and to increase the amount from \$10.5 million to \$10.6 million (pages 5-6)
Aaron Rubardt, Financial Planning Manager, PSB
4. **Briefing:** May 2017 Investment Summary
 - Issuer Diversification , Credit Exposure and Compliance Report (page 7)
 - King County Investment Pool Yield & Duration versus Custom Benchmark (page 8)
 - Detailed Transaction Report - Investment Activity Summary (page 9)
 - King County Investment Pool Asset Allocation (page 10)
 - King County Investment Pool Maturity Distribution (page 11)
 - Investment Performance Review & Impaired Pool Summary (pages 12-20)
 - Interest Rate Summary (page 21)*Mike Smith, Chief Investment Officer*
5. **Action:** Committee's direction for investment of idle cash balances of specific County funds not needed for immediate expenditure.

Staff Recommendation: Direct the Treasury Section to target the maximum average duration of the King County Investment Pool at the 0.8 to 1.3 year range.

Mike Smith, Chief Investment Officer
6. **Briefing:** Interfund Borrowing for May 2017 (page 22)
 - Interfund Interest Report – County Tier 2 Funds
 - Pooled Tier 1 County Funds with Negative Cash Balances
 - Excluded County Funds with Negative Balances – Tier 2 Funds Not Paying Interest*Bill Forristall, Business & Finance Officer IV*
 - Interfund Loans Among District & Non-County Funds (page 23)
 - Interfund Borrowings – EFC Approved Loans (page 24)*Mike Smith, Chief Investment Officer*

OTHER BUSINESS

ADJOURNMENT

MINUTES
EXECUTIVE FINANCE COMMITTEE
May 24, 2017

The Executive Finance Committee (EFC) Meeting was held May 24, 2017 at 1:35 and adjourned at 2:05 p.m.

Members Present

Dave Upthegrove
Caroline Whalen
Eunjoo Greenhouse
(for Ken Guy)
Dwight Dively

Others Present

Andrew Kim
Peggy Pahl
Jenifer Merkel
Gary Prince, IPAC
Dave Reich
Dan Gottlieb, Bond Counsel

Others Present -

Continued
Bill Forristall
Scott Matheson
Mike Smith
Christine Denis
Dan Kaplan, IPAC

Members Absent

Ken Guy

ACTION ITEMS

1. **Minutes** – The Committee unanimously approved the Minutes of the April 26, 2017 Executive Finance Committee meeting.
2. **Investment Direction** – The Committee unanimously approved the Treasury recommendation to maintain the maximum effective duration of the King County Investment Pool in the 0.8 to 1.3 year range.

BRIEFINGS

1. **Supranationals** – The Committee was briefed on the change in Washington State law that authorizes local governments to purchase debt issued or guaranteed by supranational institutions, provided that, at the time of investment, the United States is its largest shareholder. The Committee was informed that investments in supranational securities will be governed by the *U.S. Agencies, Instrumentalities, or Government-Sponsored Enterprises* section of the County's current investment policy. This means that no change in the current investment policy was necessary. The Committee was also provided with background information on supranational organizations, and on the opportunities and risks of investing in supranationals. At the conclusion of the discussion, the Committee members stated that they had no opposition to the investment team's plan to purchase qualifying supranational securities in the future.
2. **April 2017 Investment Summary** – The Committee was provided a summary report showing the pool was in compliance with all its policies, reviewed investment performance, and monthly investment activity. In addition, the Committee reviewed the distribution of investment holdings by maturity, security type, credit rating, and issuer. The Committee was updated on the payments received from the VFNC Trust investment. The Committee was also briefed on the current interest rate and economic environment.
3. **April 2017 Interfund Borrowing** – The Committee was provided a review of both County and non-county interfund borrowing.

OTHER BUSINESS

None



Scott Matheson, Treasury Manager

King County Housing Authority Credit Enhancement Program

New Program Summary

The proposed King County Housing Authority (KCHA) Credit Enhancement Program authorizes up to \$200 million in credit enhancement, ensuring KCHA's access to municipal credit markets to acquire and preserve an estimated 2,200 units of affordable housing rental projects in high opportunity areas throughout King County. This program is in addition to the current Credit Enhancement Program which is open to all affordable housing providers, including KCHA.

Program Provisions

Key provisions of the program are outlined below.

- The sole user of the program shall be KCHA, which has demonstrated experience in acquiring, developing and operating affordable housing throughout the County.
- The County shall underwrite the financial strength, capacity and ability of the KCHA to comply with State and Federal Laws.
- KCHA will guarantee long term affordability with a minimum of fifty percent of the units affordable to households at or below eighty percent of the area median income (\$72,000 for a family of four).
- KCHA will maintain a minimum liquidity of \$13 million to be available for immediate payment of amounts due on the obligations subject to credit enhancement.
- Only if KCHA is unable to make payments out of all net revenues from the projects being financed and its general revenues shall a loan from the County be requested.
- The program shall end on December 31, 2022. Additionally, the County may terminate the program at any time there is a default under the agreement, if the County Executive believes the program has or will have a negative impact on the County's credit rating, or if a leadership change at KCHA has or may result in the County having to make a loan under the agreement.
- Unless otherwise negotiated and agreed to by both parties, an application fee of 0.30% of the amount of credit enhancement committed is due at the time of commitment. A monitoring fee of 0.10% of the amount of commitment under the program's credit enhancement will be due annually.

Financial Risk and Mitigation

In exchange for the commitment to affordable housing through this agreement, the County will take on financial risks, outlined below. Piper Jaffray's risk analysis determined that although there is increased risk associated with the proposed agreement it is not unreasonable.

Organizational Risk vs Project Risk

- The County will provide credit enhancement to KCHA as an entity, not each project, exposing the County to financing agreements KCHA utilizes as part of operations, including risks associated with liquidity, acceleration, rollover, and interest rate.

- In the event KCHA cannot make a monthly debt service payment on any obligation backed by the County, the County will make the payment, resulting in a cash transfer equal to the monthly debt service payment from the general fund or cash from other County funds.
- Any cash transfer for any debt payment will be in the form of a loan to KCHA, repaid within fifteen years of the advance date with interest equal to the rate of the King County Investment Pool plus 0.50%.
- All transfers of cash to KCHA for this program are subject to appropriation.

Short Term Financing Risk

- KCHA will likely acquire properties using short term financing, subjecting the County to the risk that KCHA cannot secure long term financing.
- If KCHA does not sell the property, the County will need to replace the short term loan at full cost and then determine whether to retain the asset or sell it to pay back the outstanding loan.

Operations Risk

- In the event that KCHA is unable to maintain current operations due to the risks associated with multi-family housing, the County will need to cover both outstanding obligations associated with this agreement as well as those under the existing credit enhancement program.
- While a sizable obligation, if KCHA were to cease operations, King County would be in the position of needing to support KCHA operations regardless of this financing tool.

Additional Risk Mitigation

- The County will underwrite to the financial strength and capacity of KCHA by reviewing KCHA financial statements on an annual basis to assess risk and understand the financial health of the organization, which will include a review of federal sources.
- KCHA is required to alert the County of any executive leadership changes or federal policy or other significant changes that will impair KCHA's ability to perform.
- The County will review any loans that are placed with the County's credit.
- KCHA is required to maintain a minimum of \$13,000,000 in liquidity reserve.
- KCHA is required to provide 120 days' notice if it anticipates there will be insufficient funds from general operations to make a required debt service payment. As of 12/31/15, KCHA held over \$100 million in unrestricted cash and investments, providing a cushion to make debt payments in time of financial stress. These funds shall be used prior to any of the County's obligations.

Finally, KCHA is governed under RCW 35.82 and the board of directors is appointed by the King County Executive and confirmed by the County Council. As such, the County has the power to deactivate KCHA and assume all powers of KCHA under the RCW.

**King County****COUNTY FUND APPLICATION FOR INTERFUND LOAN**

COUNTY FUND MANAGER CONTACT INFORMATION

Fund name and number: Risk Abatement Fund (#1396)

Fund Manager: Dwight Dively

Fund Manager Title: Director, PSB

Contact name (if different): Aaron Rubardt

Contact title: Financial Planning Manager

Phone: 263-9715

Fax:

BORROWING REQUEST DETAILS

Fund name: Risk Abatement Fund

Fund number: 1396

Term of loan requested (projected start and end date): 12/2016 – ~~4/2017~~ **8/2017**Is this a new loan request or a request to modify an existing loan? ~~New~~ **Extension of Loan Term**Has this loan request been reviewed by Office of Performance, Strategy and Budget? Yes ☒ No ☐ If "Yes", list the name of the reviewer: Aaron Rubardt, Dwight Dively, Jim Record

If this a "Funds Transfer Loan" as defined in Section 5.9 of the County's Interfund Loan Policy complete Part A. otherwise complete Part B

PART A

Provide both the fund name(s) and fund number(s) of the lending fund(s). 00000010 General Fund

Who has determined whether the lending fund(s) designated above is legally able to finance this loan? Dwight Dively

PART B

For "Automated Interest Loans" as defined in Section 5.3 list the maximum negative cash balance forecasted during term of loan : ~~\$10,500,000~~ (\$10,600,000)

ADDITIONAL INFORMATION

Why is this borrowing necessary?

The Dolan interest settlement payment from the County to the State DRS will be transferred in December 2016 to avoid any additional interest charges. The Risk Abatement Fund does not typically carry a cash balance. This fund will go temporarily negative until bonds are sold to reimburse the interest settlement payment. The debt service on the bonds will be paid by the General Fund, 000000010.

What will be the source of the funds to repay the interfund loan? Bond ProceedsIf the interfund loan involves a project that is or will be related to a bond issue, has this interfund loan proposal been reviewed by the Treasury Operations Compliance Officer? Yes ☒ No ☐

FUND MANAGER AUTHORIZED SIGNATURE (REQUESTING INTERFUND LOAN)

Signature:

Print Name: Dwight Dively

Title: Director, PSB

Date: 6/26/2019

Please include with this application a cash flow forecast showing the fund's cash needs over the expected borrowing period.Interfund loan approved? Yes ☐
No ☐

Date Approved/Denied:

Loan interest rate:

Maximum interfund loan amount approved \$

Repayment date:

Other special loan terms or comments:

Risk Abatement Fund (#1396)		
Cash Flow Forecast		
6/26/2017		
Month	Cash	Bond Proceeds/Transfer
Dec-16	\$ (10,494,223)	
Jan-17	\$ (10,495,109)	
Feb-17	\$ (10,503,609)	
Mar-17	\$ (10,511,702)	
Apr-17	\$ (10,519,988)	
May-17	\$ (10,529,032)	
Jun-17	\$ (10,538,658)	
Jul-17	\$ (10,550,000)	
Aug-17	\$ (10,560,000)	\$ 10,600,000

KING COUNTY INVESTMENT POOL
ISSUER DIVERSIFICATION, CREDIT EXPOSURE and COMPLIANCE REPORT
05/31/17

The investment pool complies with all constraints listed in Schedule 1 of the investment policy

	Book Value	% of Portfolio	Issuer Limits/Restrictions	Credit Agency Ratings		Minimum Credit Restrictions	Maximum Maturity
				S&P	Moody's		
U.S. TREASURIES		100%	NONE			NONE	5 Years
U.S. T-Bills or T-Notes	\$2,607,601,609.49	36.2%	In Compliance	AA+	Aaa	In Compliance	In Compliance
			35% per agency across investment type				
U.S. AGENCIES		100%				NONE	5 Years
Federal Farm Credit Bank (FFCB)	\$674,455,695.85	29.0%	In Compliance	AA+	Aaa	In Compliance	In Compliance
Federal National Mortgage Association (FNMA)	\$399,647,129.60	9.4%	In Compliance	AA+	Aaa	In Compliance	In Compliance
Federal Home Loan Bank (FHLB)	\$339,929,025.40	5.5%	In Compliance	AA+	Aaa	In Compliance	In Compliance
Federal Home Loan Mortgage Corporation (FHLMC)	\$675,483,877.75	4.7%	In Compliance	AA+	Aaa	In Compliance	In Compliance
		9.4%					
U.S. AGENCY MORTGAGE BACKED SECURITIES		Not to exceed 25%	35% per agency			NONE	5 Year Average Live
CMO Agencies FNMA	\$5,313,072.08	0.1%	In Compliance	AA+	Aaa	In Compliance	In Compliance
MUNICIPAL BONDS - GENERAL OBLIGATIONS		Not to exceed 20%	Not to exceed 5%			A or better	5 Years
		0.0%	In Compliance				
REPURCHASE AGREEMENTS		100.0%	Not to exceed 25% per dealer			A1/P1^{(1) (2)}	60 Days
Wells Fargo Securities, Inc. Tri-party Repo	\$147,000,000.00	2.0%	In Compliance	A-1+	N/A	In Compliance	In Compliance
REVERSE REPURCHASE AGREEMENTS		Not to exceed 20%	Not to exceed 5% per dealer			A1/P1⁽¹⁾	6 Months
		0.0%	In Compliance				
LOCAL GOVERNMENT INVESTMENT POOL		Not to exceed 25%	State of WA LGIP only			NONE	N/A
Washington State Treasurer's LGIP	\$926,618,146.49	12.9%	In Compliance	N/A	N/A		
BANKER'S ACCEPTANCES		Not to exceed 25%	5% per issuer across investment type			A1/P1⁽³⁾	180 Days
		0.0%	In Compliance				
OVERNIGHT DEPOSITS		100%	NONE			COLLATERALIZED	
	\$18,052,513.07	0.3%					
CERTIFICATES OF DEPOSIT		Not to exceed 25%	5% per issuer across investment type			NONE	1 Year
		0.0%	In Compliance				
COMMERCIAL PAPER		Not to exceed 25% combined with Corp Notes	5% per issuer across investment type			A1/P1, If >100 days A or better	270 Days
		4.8%	In Compliance				
APPLE INC	\$145,671,326.74	2.0%	In Compliance	A-1+	P-1	In Compliance	In Compliance
CANADIAN IMPERIAL BANK	\$124,883,333.34	1.7%	In Compliance	A-1	P-1	In Compliance	In Compliance
WALT DISNEY CO	\$49,962,944.44	0.7%	In Compliance	A-1+	P-1	In Compliance	In Compliance
UNITED PARCEL SERVICE	\$22,000,000.00	0.3%	In Compliance	A-1	P-1	In Compliance	In Compliance

* Purchases prior to 9/15/16 are considered grandfathered in for issuer limit purposes and can be held to maturity.

CORPORATE NOTES		Not to exceed 25% combined with CP	5% per issuer across investment type			A or better⁽³⁾	5 Years
		14.9%	In Compliance				
US BANK N.A. *	\$148,316,441.90	2.1%	In Compliance	AA-	A1	In Compliance	In Compliance
ROYAL BANK OF CANADA	\$140,185,040.13	1.9%	In Compliance	AA-	A1	In Compliance	In Compliance
MICROSOFT	\$119,784,281.23	1.7%	In Compliance	AAA	Aaa	In Compliance	In Compliance
TORONTO DOMINION	\$104,496,348.59	1.4%	In Compliance	AA-	Aa2	In Compliance	In Compliance
WELLS FARGO BANK N.A.	\$95,667,529.91	1.3%	In Compliance	AA-	Aa2	In Compliance	In Compliance
BANK OF MONTREAL	\$91,026,854.02	1.3%	In Compliance	A+	A1	In Compliance	In Compliance
BANK OF NOVA SCOTIA	\$69,991,397.75	1.0%	In Compliance	A+	A1	In Compliance	In Compliance
WALT DISNEY CO	\$51,977,783.61	0.7%	In Compliance	A+	A2	In Compliance	In Compliance
PNC BANK	\$50,251,710.28	0.7%	In Compliance	A	A2	In Compliance	In Compliance
BANK OF AMERICA	\$45,048,783.94	0.6%	In Compliance	A+	A1	In Compliance	In Compliance
JP MORGAN	\$42,710,998.09	0.6%	In Compliance	A+	Aa3	In Compliance	In Compliance
APPLE INC	\$33,918,793.76	0.5%	In Compliance	AA+	Aa1	In Compliance	In Compliance
CANADIAN IMPERIAL BANK	\$29,995,921.66	0.4%	In Compliance	A+	A1	In Compliance	In Compliance
COLGATE PALMOLIVE CO	\$28,992,915.84	0.4%	In Compliance	AA-	Aa3	In Compliance	In Compliance
PROCTER & GAMBLE	\$20,062,598.38	0.3%	In Compliance	AA-	Aa3	In Compliance	In Compliance

* Purchases prior to 9/15/16 are considered grandfathered in for issuer limit purposes and can be held to maturity.

\$7,209,046,073.34	100.0%
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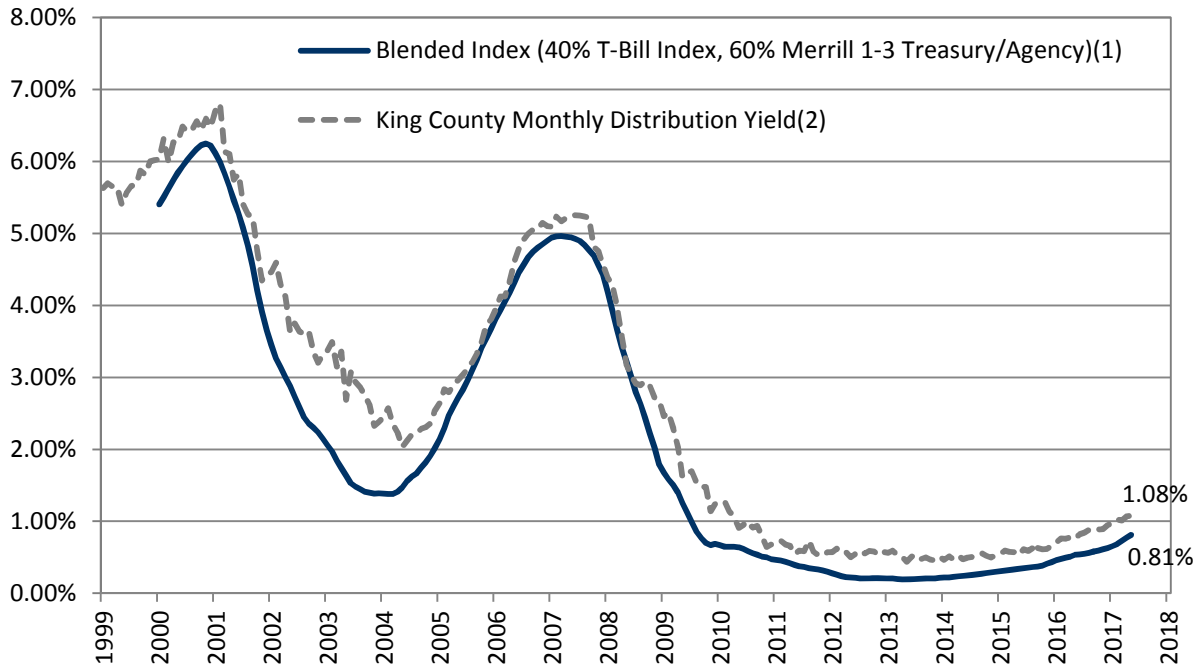
ADDITIONAL PORTFOLIO LEVEL REQUIREMENTS	Actual	Status
Effective Duration Less Than 1.5 Years	1.064	In Compliance
40% of Portfolio Value 12 Months or Less	55.7%	In Compliance
Corporate Exposure Not Greater Than 50%	19.6%	In Compliance
Corp Notes & CP ≤ 25%	19.6%	In Compliance
Maximum Duration of Corp Note Portfolio ≤ 3 years	1.58	In Compliance

(1) Must be rated by at least one nationally recognized rating agency

(2) Also backed by collateral

(3) Must be rated by at least 2 nationally recognized rating agencies

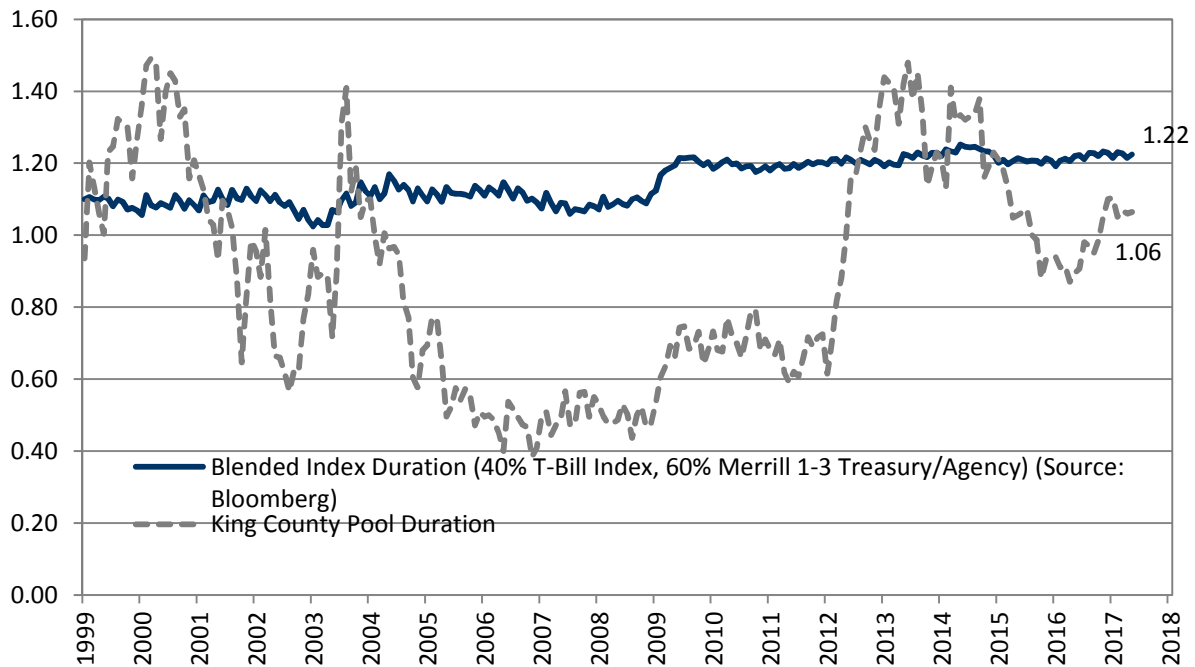
King County Monthly Distribution Yield Versus Custom Index



(1) Calculation for index return adjusted from coupon return to the 12-month moving average of the index's effective yield. (Source: Bloomberg)

(2) Does not include negative distributions from the Impaired Pool

King County Monthly Duration Versus Custom Index



MAY 2017 TRANSACTIONS



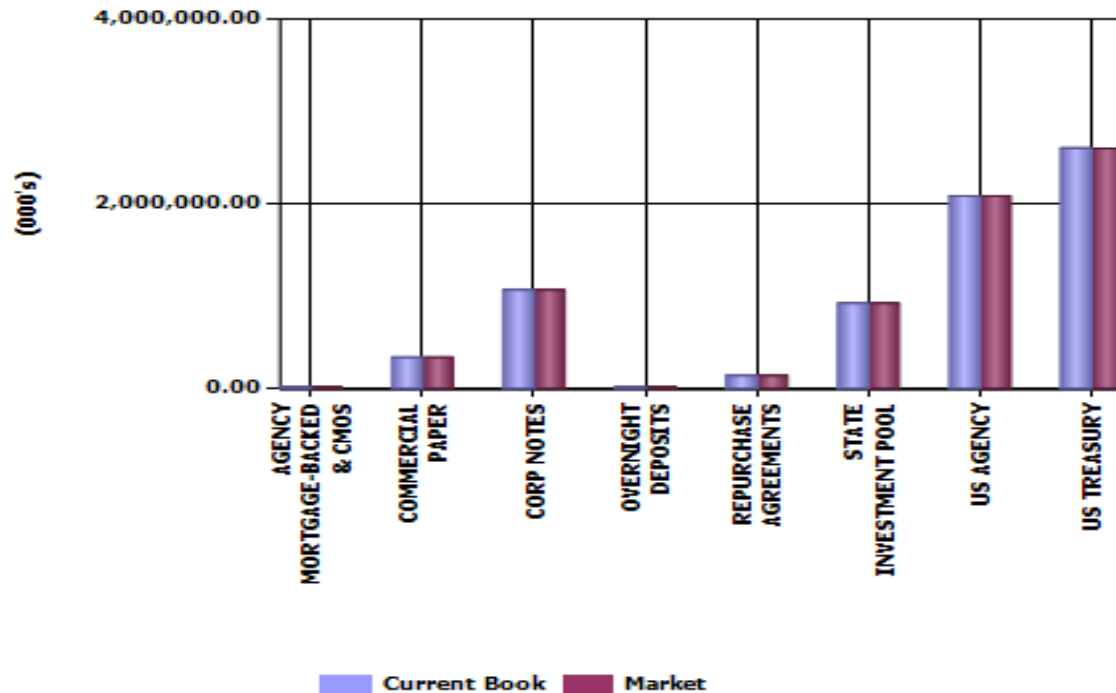
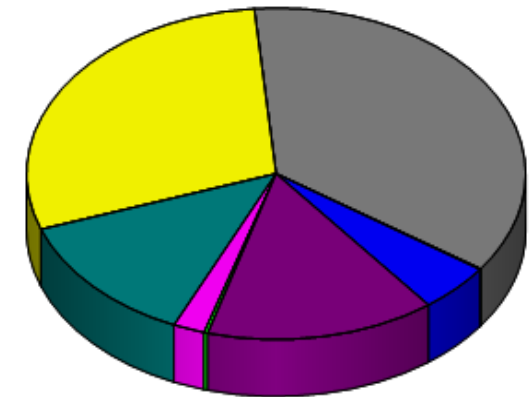
DESCRIPTION	AVG RATE	AVG PAR
PURCHASES		
REPO	0.77	150,000,000.00

DESCRIPTION	COUPON	MATURITY	SETTLED	BK	PAR VALUE	BOOK VALUE
PURCHASES						
FHLB DISCOUNT NOTE	.000	05/02/2017	05/01/2017	.750	175,000,000.00	174,996,354.17
FHLB DISCOUNT NOTE	.000	05/03/2017	05/02/2017	.750	182,000,000.00	181,996,208.33
FHLB DISCOUNT NOTE	.000	05/04/2017	05/03/2017	.750	147,000,000.00	146,996,937.50
FHLB DISCOUNT NOTE	.000	05/05/2017	05/04/2017	.750	160,000,000.00	159,996,666.67
FHLB DISCOUNT NOTE	.000	05/08/2017	05/05/2017	.750	148,000,000.00	147,990,750.00
FHLB DISCOUNT NOTE	.000	05/09/2017	05/08/2017	.740	170,000,000.00	169,996,505.56
FHLB DISCOUNT NOTE	.000	05/10/2017	05/09/2017	.750	162,000,000.00	161,996,625.00
FHLB DISCOUNT NOTE	.000	05/11/2017	05/10/2017	.750	100,000,000.00	99,997,916.67
FHLB DISCOUNT NOTE	.000	05/12/2017	05/11/2017	.750	72,000,000.00	71,998,500.00
APPLE INC	1.800	05/11/2020	05/11/2017	1.835	20,000,000.00	19,979,600.00
FHLB DISCOUNT NOTE	.000	05/15/2017	05/12/2017	.750	74,000,000.00	73,995,375.00
FHLB DISCOUNT NOTE	.000	05/16/2017	05/15/2017	.750	65,000,000.00	64,998,645.83
FHLB DISCOUNT NOTE	.000	05/17/2017	05/16/2017	.750	58,000,000.00	57,998,791.67
FHLB DISCOUNT NOTE	.000	05/22/2017	05/17/2017	.735	40,000,000.00	39,995,916.67
LGIP	.869	06/01/2017	05/31/2017	.869	733,079.00	733,079.00
TOTAL					1,573,733,079.00	1,573,667,872.07

DESCRIPTION	COUPON	MATURITY	SETTLED	BK	PAR VALUE	BOOK VALUE	GAIN/(LOSS)
SELLS							
LGIP	.869	06/01/2017	05/22/2017	.869	100,000,000.00	100,000,000.00	0.00
ROYAL BK CANADA	1.400	10/13/2017	05/22/2017	1.404	15,000,000.00	14,999,769.29	4,925.71
US TREASURY NOTE	2.500	06/30/2017	05/22/2017	.923	50,000,000.00	50,083,517.02	8,279.86
TOTAL					165,000,000.00	165,083,286.31	13,205.57



Assets (000's)	PAR	BOOK	MARKET	MKT/BK	YIELD
AGENCY MORTGAGE-BACKED & CMOS	5,233.46	5,313.07	5,611.21	105.61%	4.34%
COMMERCIAL PAPER	342,750.00	342,517.60	342,539.33	100.01%	0.94%
CORP NOTES	1,071,445.00	1,072,427.40	1,071,440.83	99.91%	1.58%
OVERNIGHT DEPOSITS	18,052.51	18,052.51	18,052.51	100.00%	0.00%
REPURCHASE AGREEMENTS	147,000.00	147,000.00	147,000.00	100.00%	0.81%
STATE INVESTMENT POOL	926,618.15	926,618.15	926,618.15	100.00%	0.87%
US AGENCY	2,093,761.00	2,089,515.73	2,086,584.84	99.86%	1.03%
US TREASURY	2,604,000.00	2,607,601.61	2,601,715.67	99.77%	1.05%
Totals (000's):	7,208,860.12	7,209,046.07	7,199,562.55	99.87%	1.09%

PORTFOLIO ALLOCATION

CURRENT PAR %


AGENCY MORTGAGE-BACKED & CMOS - 0%	REPURCHASE AGREEMENTS - 2%
COMMERCIAL PAPER - 5%	STATE INVESTMENT POOL - 13%
CORP NOTES - 15%	US AGENCY - 29%
OVERNIGHT DEPOSITS - 0%	US TREASURY - 36%

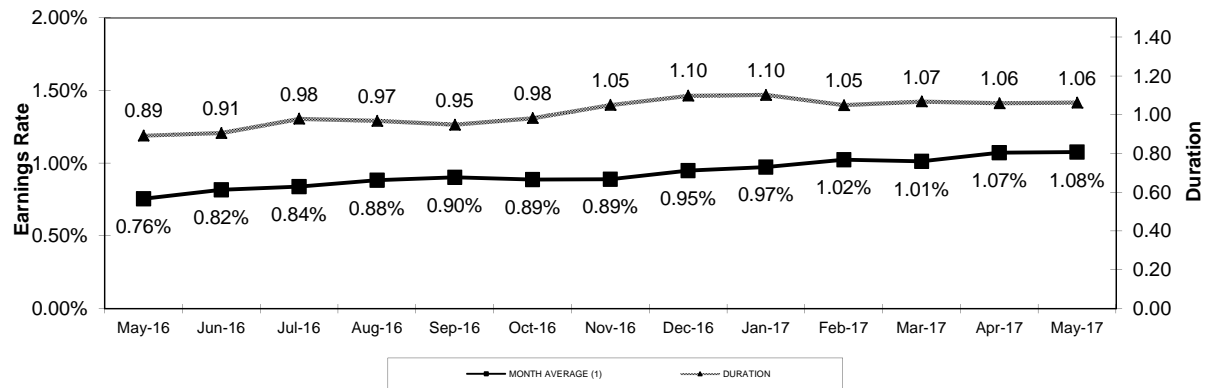
KING COUNTY INVESTMENT POOL

MATURITY DISTRIBUTION AS OF 05/31/2017

<u>CALL/MATURITY</u>	<u>DATE RANGE</u>	<u>NO OF INV</u>	<u>BOOK VALUE</u>	<u>%</u>	<u>CUM %</u>
0 TO 1 MONTHS	06/01/17 - 07/03/17	12	1,383,133,857.96	19.2%	19.2%
1 TO 3 MONTHS	07/04/17 - 08/31/17	6	256,833,582.22	3.6%	22.7%
3 TO 6 MONTHS	09/01/17 - 11/30/17	15	622,234,293.39	8.6%	31.4%
6 TO 12 MONTHS	12/01/17 - 05/31/18	36	1,753,938,171.33	24.3%	55.7%
12 TO 24 MONTHS	06/01/18 - 05/31/19	36	1,846,435,141.53	25.6%	81.3%
24 TO 36 MONTHS	06/01/19 - 05/31/20	24	1,193,732,557.25	16.6%	97.9%
36 TO ** MONTHS	06/01/20 -	9	152,738,469.66	2.1%	100.0%
GRAND TOTALS		138	7,209,046,073.34		

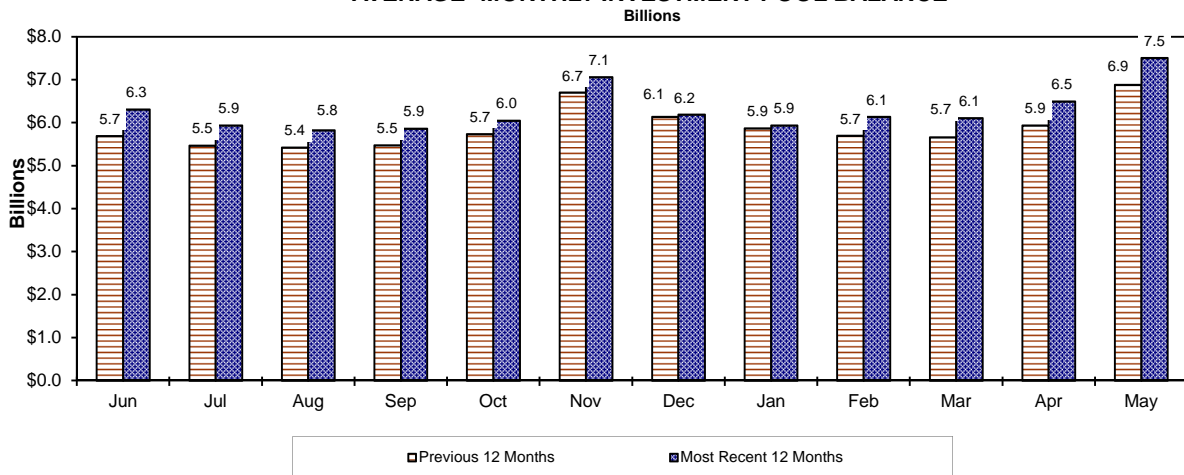
KING COUNTY INVESTMENT POOL

EARNINGS DISTRIBUTION RATE & EFFECTIVE DURATION



(1) Not adjusted yet for realized losses on commercial paper investments.

AVERAGE MONTHLY INVESTMENT POOL BALANCE



KC GENERAL FUND YTD INTEREST EARNINGS

May 31, 2017

	<u>BUDGET</u>	<u>ACTUAL</u>	<u>DIFFERENCE</u>
YTD AVG BALANCE (millions)	\$454	\$473	\$18.9
YTD YIELD	0.50%	1.04%	0.54%
INTEREST DISTRIBUTION (\$)	\$940,861	\$2,044,183	\$1,103,322
AUTOMATIC INTEREST (\$)	\$0	\$0	\$0
TOTAL INTEREST (\$)	\$940,861	\$2,044,183	\$1,103,322

YTD POOL FEE REVENUE

	<u>BUDGET</u>	<u>Collected ⁽¹⁾</u>	<u>Potential Rebate</u>
DIRECT COST FEE DUE TO GF	\$249,555	\$586,217	\$336,662
DIRECT COST FEE TO FBOD	N/A	\$30,974	\$30,974
TOTAL YTD DIRECT POOL FEES	249,555	617,191	\$367,636
	<u>BUDGET</u>	<u>Actual</u>	<u>Difference</u>
CASH MGMT FEE TO GF	\$154,147	\$363,746	\$209,600
CASH MGMT FEE TO FBOD	N/A	\$7,024	N/A
TOTAL YTD CASH MGMT FEES	154,147	370,771	216,624

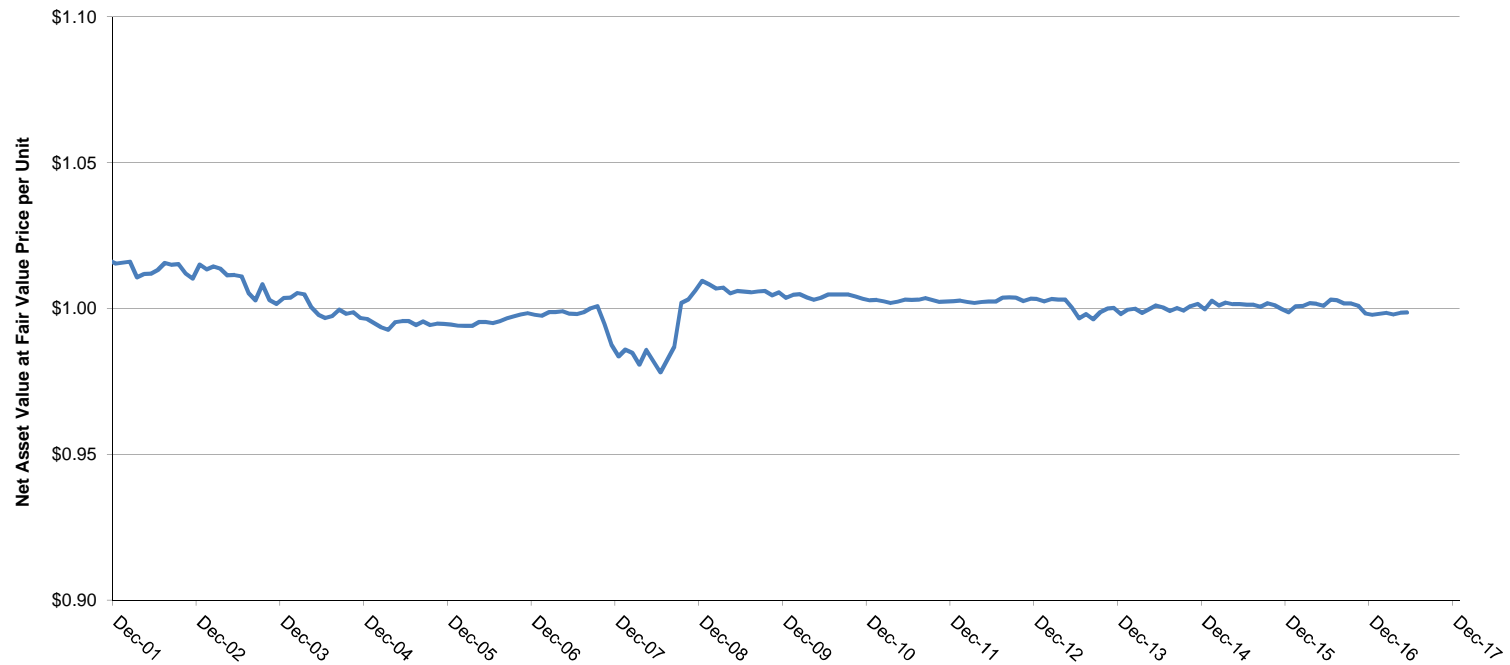
YTD TOTAL POOL
DISTRIBUTION \$27,569,454

(1) Collecting 2.5 basis points for direct fees, but will rebate difference between collected and actual expenses after the fiscal year closes.

King County Investment Pool Fair Value Report

	03/31/17	04/30/17	05/31/17
Net Assets (1)			
Net Assets held in trust for pool participants	<u>\$ 6,103,804,006.38</u>	<u>\$ 7,581,622,007.30</u>	<u>\$ 7,183,012,490.93</u>
Net assets consist of:			
Participant units outstanding (\$1.00 par)	\$ 6,115,810,631.79	\$ 7,592,244,744.17	\$ 7,192,496,016.57
Undistributed and unrealized gains(losses)	<u>\$ (12,006,625.41)</u>	<u>\$ (10,622,736.87)</u>	<u>\$ (9,483,525.64)</u>
Net Assets	<u>\$ 6,103,804,006.38</u>	<u>\$ 7,581,622,007.30</u>	<u>\$ 7,183,012,490.93</u>
Total Pool -- Net asset value at fair value price per unit	<u>\$0.9980</u>	<u>\$0.9986</u>	<u>\$0.9987</u>

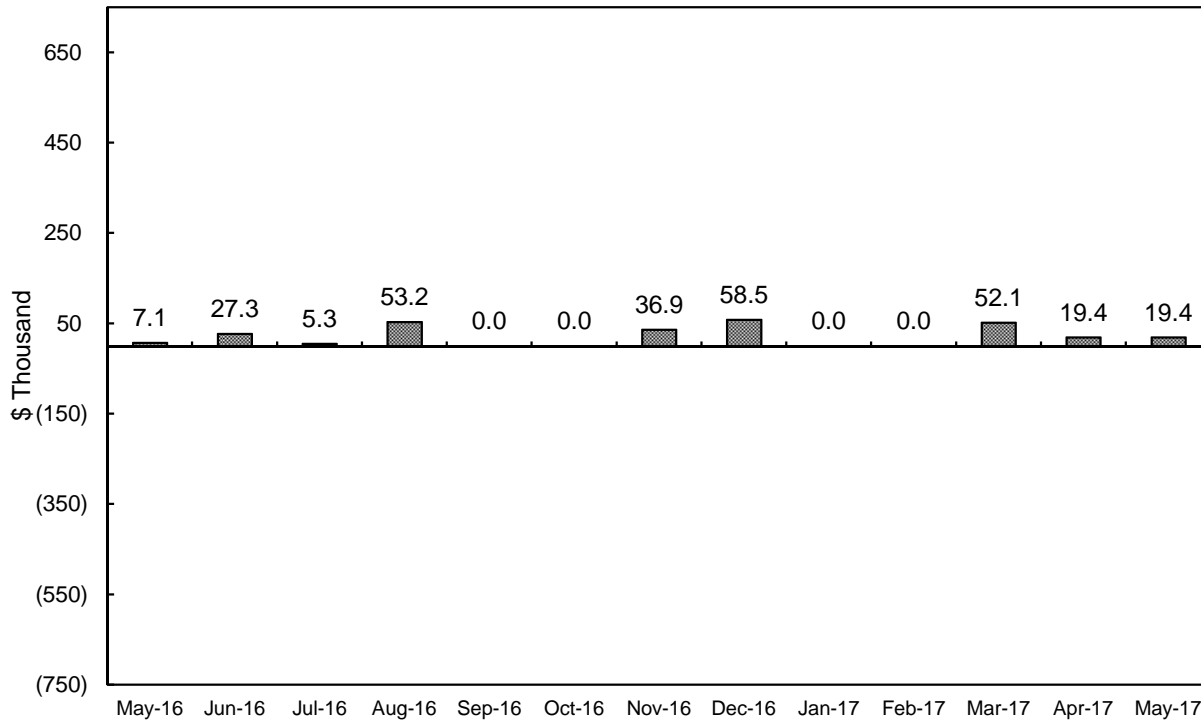
King County Investment Pool History of Fair Value per Dollar Invested (1)



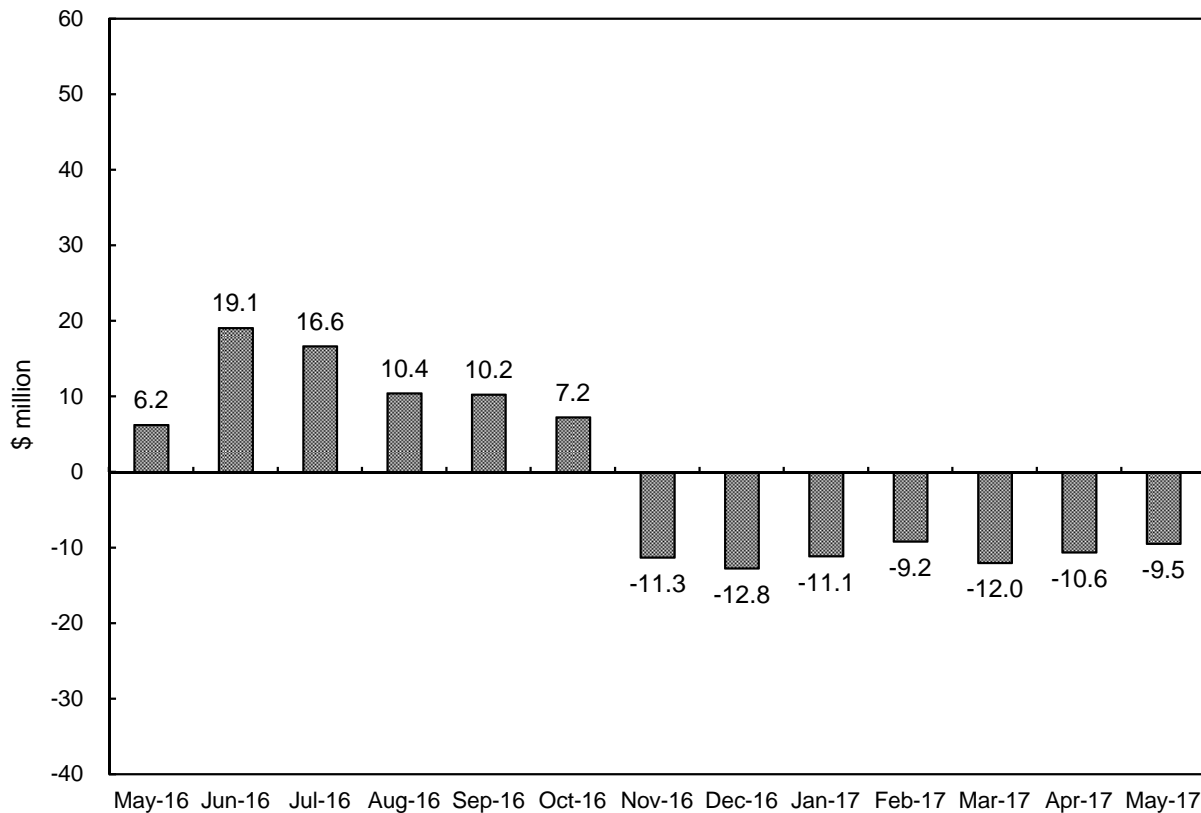
(1) Impaired securities were separated from main pool on 9/1/08

GAIN / LOSS SUMMARY

TOTAL REALIZED GAIN OR LOSS (1)



NET UNREALIZED GAIN OR LOSS (TOTAL PORTFOLIO)



(1) Excludes gains/losses from impaired CP

KING COUNTY TREASURY OPERATIONS
SEATTLE, WASHINGTON

PORTFOLIO DETAIL FINANCIAL ANALYSIS
AS OF 5/31/17

(MANFIN)

SORTING ORDER: MATD

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** FIXED INCOME **

INVSMT NUMBER	DESCRIPTION	INTEREST RATE	YIELD	MAT/CALL DATE	MARKET PRICE	CURRENT PAR	CURRENT BOOK	MARKET VALUE	UNREALIZED GAIN/LOSS	ANNUAL INCOME
711	LOCAL GOVT INVESTM	.868677	.868677	06/01/17	100.000000	926,618,146.49	926,618,146.49	926,618,146.49	.00	8,049,323.16
1522	CASH-US BANK	.001000	.001000	06/01/17	100.000000	14,346,392.30	14,346,392.30	14,346,392.30	.00	143.46
1523	CASH-KEY BANK	.001000	.001000	06/01/17	100.000000	3,127,257.19	3,127,257.19	3,127,257.19	.00	31.27
1524	CASH-BOFA	.001000	.001000	06/01/17	100.000000	578,863.58	578,863.58	578,863.58	.00	5.79
2783	CA IMPERIAL BK	.000000	.993442	06/01/17	100.000000	75,000,000.00	75,000,000.00	75,000,000.00	.00	745,081.71
2846	UNITED PARCEL	.000000	.831207	06/01/17	100.000000	22,000,000.00	22,000,000.00	22,000,000.00	.00	182,865.61
2925	Wells Fargo Tri-Re	.810000	.810000	06/01/17	100.000000	147,000,000.00	147,000,000.00	147,000,000.00	.00	1,190,700.00
2809	APPLE INC	.000000	.771617	06/06/17	99.987361	35,750,000.00	35,746,176.74	35,745,481.56	-695.18	275,853.21
2808	APPLE INC	.000000	.791946	06/20/17	99.951972	60,000,000.00	59,974,983.33	59,971,183.20	-3,800.13	475,167.87
1609	FHLMC BULLE	1.000000	.977087	06/29/17	100.011000	23,778,000.00	23,778,408.03	23,780,615.58	2,207.55	232,331.75
1613	FHLMC BULLE	1.000000	.963425	06/29/17	100.011000	25,000,000.00	25,000,685.86	25,002,750.00	2,064.14	240,856.13
2852	DISNEY (WALT) CO	.000000	.922026	06/30/17	99.926694	50,000,000.00	49,962,944.44	49,963,347.00	402.56	461,013.21
2849	APPLE INC	.000000	.922310	07/10/17	99.901417	50,000,000.00	49,950,166.67	49,950,708.50	541.83	461,154.93
2371	BANK OF MONTREAL C	1.300000	1.083873	06/14/17C	100.004000	5,560,000.00	5,560,443.40	5,560,222.40	-221.00	60,263.35
1369	FREDDIE MAC CALLAB	1.000000	1.022914	07/25/14C	100.007000	50,000,000.00	49,998,656.59	50,003,500.00	4,843.41	511,456.96
2658	FFCB DISCOUNT NOTE	.000000	.643777	07/27/17	99.857000	51,500,000.00	51,448,728.89	51,426,355.00	-22,373.89	331,545.06
1572	US Treasury Note	.500000	.595581	07/31/17	99.945000	50,000,000.00	49,992,253.33	49,972,500.00	-19,753.33	297,790.25
2782	CA IMPERIAL BK	.000000	1.207892	08/10/17	99.817222	50,000,000.00	49,883,333.34	49,908,611.00	25,277.66	603,945.79
1573	US Treasury Note	.625000	.610249	08/31/17	99.922000	50,000,000.00	50,001,806.70	49,961,000.00	-40,806.70	305,124.36
1745	US TREASURY NOTE	.625000	1.000148	08/31/17	99.922000	50,000,000.00	49,954,228.47	49,961,000.00	6,771.53	500,073.95
1628	Federal Farm Credi	1.125000	1.125000	09/05/17	100.040000	34,900,000.00	34,900,000.00	34,913,960.00	13,960.00	392,625.00
1406	FED HOME LN BANK	.750000	.916458	09/08/17	99.923000	18,980,000.00	18,971,641.77	18,965,385.40	-6,256.37	173,943.73
1408	FED HOME LN BANK	.750000	.914838	09/08/17	99.923000	26,415,000.00	26,403,480.12	26,394,660.45	-8,819.67	241,654.38
2191	US BANK NA OHIO CA	1.375000	1.087077	08/11/17C	100.013000	25,000,000.00	25,014,255.39	25,003,250.00	-11,005.39	271,769.24
2240	US BANK NA CALLABL	1.375000	1.251635	08/11/17C	100.013000	15,000,000.00	15,003,663.06	15,001,950.00	-1,713.06	187,745.25
1614	FFCB BULLE	1.550000	1.098833	09/18/17	100.175000	19,200,000.00	19,225,222.82	19,233,600.00	8,377.18	210,975.84
1416	Fannie Mae Callabl	1.000000	1.002055	09/20/13C	99.990000	50,000,000.00	49,999,794.20	49,995,000.00	-4,794.20	501,027.27
1724	US TREASURY NOTE	.625000	1.025357	09/30/17	99.844000	50,000,000.00	49,935,068.72	49,922,000.00	-13,068.72	512,678.56
1744	US TREASURY NOTE	.625000	1.034441	09/30/17	99.844000	50,000,000.00	49,933,601.31	49,922,000.00	-11,601.31	517,220.54
1615	FHLB BULLE	1.500000	1.134972	10/10/17	100.165000	32,950,000.00	32,992,055.42	33,004,367.50	12,312.08	373,973.38
1411	FANNIE MAE	.875000	.919048	10/26/17	99.909000	50,000,000.00	49,991,355.29	49,954,500.00	-36,855.29	459,523.96
2318	US TREASURY NOTE	.875000	.893174	11/15/17	99.891000	50,000,000.00	49,995,876.47	49,945,500.00	-50,376.47	446,587.06
2478	US Treasury Note	.625000	.802706	11/30/17	99.750000	100,000,000.00	99,912,243.65	99,750,000.00	-162,243.65	802,706.40
2777	FRE DISCOUNT NT	.000000	.775156	12/01/17	99.471000	100,000,000.00	99,608,583.34	99,471,000.00	-137,583.34	775,156.29
2818	WALT DISNEY CO	1.100000	1.201094	12/01/17	99.904000	37,000,000.00	36,981,373.46	36,964,480.00	-16,893.46	444,404.72
2320	US TREASURY NOTE	1.000000	.906428	12/15/17	99.918000	50,000,000.00	50,024,868.99	49,959,000.00	-65,868.99	453,214.00
2276	BANK NOVA SCOTIA C	1.375000	1.499982	11/18/17C	100.049000	25,000,000.00	24,983,256.87	25,012,250.00	28,993.13	374,995.62
1467	FANNIE MAE	.875000	.872335	12/20/17	99.844000	50,000,000.00	50,000,719.45	49,922,000.00	-78,719.45	436,167.35
2786	FRE DISCOUNT NT	.000000	.806036	01/02/18	99.373000	100,000,000.00	99,522,222.22	99,373,000.00	-149,222.22	806,036.32
2321	US TREASURY NOTE	.875000	.931048	01/15/18	99.824000	50,000,000.00	49,982,731.69	49,912,000.00	-70,731.69	465,524.21
2712	FED FARM CREDIT	.720000	.760002	01/16/18	99.806000	43,635,000.00	43,624,148.51	43,550,348.10	-73,800.41	331,626.80
2564	WELLS FARGO BANK	1.650000	1.343175	01/22/18	100.104000	20,000,000.00	20,038,792.42	20,020,800.00	-17,992.42	268,634.99

KING COUNTY TREASURY OPERATIONS
SEATTLE, WASHINGTON

PORTFOLIO DETAIL FINANCIAL ANALYSIS
AS OF 5/31/17

(MANFIN)

SORTING ORDER: MATD

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** FIXED INCOME **

INVSMT NUMBER	DESCRIPTION	INTEREST RATE	YIELD	MAT/CALL DATE	MARKET PRICE	CURRENT PAR	CURRENT BOOK	MARKET VALUE	UNREALIZED GAIN/LOSS	ANNUAL INCOME
2103	US Bank NA Callab	1.350000	1.312034	12/26/17C	99.975000	11,500,000.00	11,502,499.79	11,497,125.00	-5,374.79	150,883.87
2120	US BANK NA OHIO CA	1.350000	1.248811	12/26/17C	99.975000	27,225,000.00	27,240,778.85	27,218,193.75	-22,585.10	339,988.86
2643	US BANK NA OHIO CA	1.350000	1.006628	12/26/17C	99.975000	24,462,000.00	24,512,266.70	24,455,884.50	-56,382.20	246,241.35
2843	FFCB DISCOUNT NT	.000000	1.039007	01/26/18	99.303000	70,000,000.00	69,521,336.10	69,512,100.00	-9,236.10	727,305.13
2180	US TREASURY NOTE	1.000000	.838724	02/15/18	99.859000	65,000,000.00	65,073,211.32	64,908,350.00	-164,861.32	545,170.58
2840	FFCB DISCOUNT NOTE	.000000	1.060048	02/16/18	99.227000	29,000,000.00	28,780,083.33	28,775,830.00	-4,253.33	307,414.03
2842	FFCB DISCOUNT NT	.000000	1.080599	02/22/18	99.209000	86,900,000.00	86,212,958.94	86,212,621.00	-337.94	939,040.43
2382	US TREASURY NOTE	.750000	.883732	02/28/18	99.676000	50,000,000.00	49,950,740.93	49,838,000.00	-112,740.93	441,865.77
2185	FED HOME LN BANK	1.375000	.994011	03/09/18	100.074000	50,800,000.00	50,946,398.74	50,837,592.00	-108,806.74	504,957.77
2389	US Treasury Note	1.000000	.916246	03/15/18	99.840000	50,000,000.00	50,032,476.66	49,920,000.00	-112,476.66	458,122.80
2859	FFCB DISCOUNT NOTE	.000000	1.121970	03/23/18	99.107000	59,000,000.00	58,463,345.83	58,473,130.00	9,784.17	661,962.04
2164	BANK OF AMERICA	1.650000	1.518078	03/26/18	100.111000	25,000,000.00	25,026,203.95	25,027,750.00	1,546.05	379,519.53
2165	BANK OF AMERICA	1.650000	1.507939	03/26/18	100.111000	20,000,000.00	20,022,579.99	20,022,200.00	-379.99	301,587.79
2531	US Treasury Note	.875000	.809877	03/31/18	99.727000	100,000,000.00	100,053,495.77	99,727,000.00	-326,495.77	809,876.86
2654	US TREASURY NOTE	2.875000	.810066	03/31/18	101.379000	50,000,000.00	50,850,388.61	50,689,500.00	-160,888.61	405,033.13
2865	FRE DISCOUNT NOTE	.000000	1.050623	04/02/18	99.068000	100,000,000.00	99,118,888.89	99,068,000.00	-50,888.89	1,050,622.96
2882	FED FARM CREDIT	.700000	1.113494	04/06/18	99.605000	100,000,000.00	99,652,934.78	99,605,000.00	-47,934.78	1,113,494.03
2264	BANK OF MONTREAL C	1.450000	1.593072	03/09/18C	100.037000	15,376,000.00	15,357,660.19	15,381,689.12	24,028.93	244,950.69
2881	FREDDIE MAC	.750000	1.113879	04/09/18	99.629000	29,802,000.00	29,710,086.52	29,691,434.58	-18,651.94	331,958.26
2390	US Treasury Note	.750000	.945737	04/15/18	99.609000	50,000,000.00	49,915,936.96	49,804,500.00	-111,436.96	472,868.67
2516	FED FARM CREDIT	.750000	.818121	04/18/18	99.626000	50,000,000.00	49,970,342.39	49,813,000.00	-157,342.39	409,060.27
2887	FFCB DISCOUNT NOTE	.000000	1.122634	04/27/18	98.992000	35,000,000.00	34,643,875.01	34,647,200.00	3,324.99	392,922.01
2381	US TREASURY NOTE	.625000	.924096	04/30/18	99.473000	50,000,000.00	49,865,362.72	49,736,500.00	-128,862.72	462,047.79
2804	COLGATE-PALM CO	.900000	1.210009	05/01/18	99.637000	29,075,000.00	28,992,915.84	28,969,457.75	-23,458.09	351,809.99
2393	US TREASURY NOTE	1.000000	1.040797	05/15/18	99.801000	50,000,000.00	49,980,833.11	49,900,500.00	-80,333.11	520,398.33
1577	Freddie Mac Callab	.950000	1.036413	05/22/15C	99.580000	23,800,000.00	23,780,566.38	23,700,040.00	-80,526.38	246,666.22
2222	PNC BANK NA	1.600000	1.622972	05/02/18C	100.044000	30,000,000.00	29,993,306.08	30,013,200.00	19,893.92	486,891.58
2394	US TREASURY NOTE	1.125000	1.068586	06/15/18	99.922000	50,000,000.00	50,028,739.40	49,961,000.00	-67,739.40	534,292.76
2592	FREDDIE MAC CALLAB	1.060000	1.060000	09/22/16C	99.786000	50,000,000.00	50,000,000.00	49,893,000.00	-107,000.00	530,000.00
2598	FREDDIE MAC CALLAB	1.000000	1.000000	12/29/16C	99.749000	50,000,000.00	50,000,000.00	49,874,500.00	-125,500.00	500,000.00
2269	TORONTO DOMINION B	1.750000	1.784038	07/23/18	100.196000	35,000,000.00	34,986,816.55	35,068,600.00	81,783.45	624,413.27
2324	TORONTO DOM BANK	1.750000	1.759103	07/23/18	100.196000	14,529,000.00	14,527,485.37	14,557,476.84	29,991.47	255,580.07
2622	FREDDIE MAC CALLAB	1.050000	1.072803	07/27/18	99.755000	50,000,000.00	49,987,023.98	49,877,500.00	-109,523.98	536,401.27
2623	FANNIE MAE CALLABL	.875000	.977744	07/27/17C	99.557000	50,000,000.00	49,941,463.68	49,778,500.00	-162,963.68	488,871.77
2277	ROYAL BK CANADA	1.800000	1.804127	07/30/18	100.235000	25,000,000.00	24,998,839.40	25,058,750.00	59,910.60	451,031.81
2279	BANK OF MONTREAL	1.800000	1.847154	07/31/18	100.200000	20,000,000.00	19,989,375.00	20,040,000.00	50,625.00	369,430.83
2612	BANK OF MONTREAL	1.800000	1.275150	07/31/18	100.200000	20,000,000.00	20,120,121.11	20,040,000.00	-80,121.11	255,029.94
2653	Bank of Montreal	1.350000	1.352052	08/28/18	99.576000	30,000,000.00	29,999,254.32	29,872,800.00	-126,454.32	405,615.61
2885	US TREASURY NOTE	.750000	1.187271	08/31/18	99.414000	100,000,000.00	99,460,556.40	99,414,000.00	-46,556.40	1,187,271.12
2714	US TREASURY NOTE	1.375000	.867782	09/30/18	100.199000	100,000,000.00	100,668,119.64	100,199,000.00	-469,119.64	867,781.95
2673	FREDDIE MAC	.875000	.895912	10/12/18	99.506000	75,000,000.00	74,978,755.94	74,629,500.00	-349,255.94	671,933.81
2883	US TREASURY NOTE	.875000	1.211095	10/15/18	99.531000	100,000,000.00	99,544,452.69	99,531,000.00	-13,452.69	1,211,095.40

KING COUNTY TREASURY OPERATIONS
SEATTLE, WASHINGTON

P O R T F O L I O D E T A I L F I N A N C I A L A N A L Y S I S
AS OF 5/31/17

(MANFIN)

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** FIXED INCOME **

INVSMT NUMBER	DESCRIPTION	INTEREST RATE	YIELD	MAT/CALL DATE	MARKET PRICE	CURRENT PAR	CURRENT BOOK	MARKET VALUE	UNREALIZED GAIN/LOSS	ANNUAL INCOME
2711	FED FARM CREDIT	.850000	.915002	10/25/18	99.510000	98,101,000.00	98,012,719.25	97,620,305.10	-392,414.15	897,625.92
2659	US TREASURY NOTE	1.250000	.825593	11/15/18	100.023000	50,000,000.00	50,305,530.77	50,011,500.00	-294,030.77	412,796.26
2820	PROCTER & GAMBLE	1.600000	1.381066	11/15/18	100.323000	20,000,000.00	20,062,598.38	20,064,600.00	2,001.62	276,213.11
2821	MICROSOFT CORP	1.625000	1.381251	12/06/18	100.500000	35,000,000.00	35,126,808.62	35,175,000.00	48,191.38	483,437.70
2613	ROYAL BK CANADA	2.000000	1.355011	12/10/18	100.405000	25,000,000.00	25,240,942.30	25,101,250.00	-139,692.30	338,752.87
2713	US TREASURY NOTE	1.250000	.898009	12/15/18	100.016000	100,000,000.00	100,535,372.98	100,016,000.00	-519,372.98	898,008.82
1725	US TREASURY NOTE	1.500000	1.520113	12/31/18	100.391000	50,000,000.00	49,984,605.84	50,195,500.00	210,894.16	760,056.29
2445	BANK NOVA SCOTIA	1.950000	1.991060	01/15/19	100.344000	30,000,000.00	29,980,684.19	30,103,200.00	122,515.81	597,318.06
2522	US Treasury Note	1.125000	.885685	01/15/19	99.809000	50,000,000.00	50,191,305.18	49,904,500.00	-286,805.18	442,842.52
2451	TORONTO DOM BANK	1.950000	1.980013	01/22/19	100.416000	35,000,000.00	34,983,330.30	35,145,600.00	162,269.70	693,004.59
2660	US TREASURY NOTE	1.250000	.840709	01/31/19	99.988000	39,000,000.00	39,262,676.53	38,995,320.00	-267,356.53	327,876.43
2540	FANNIE MAE	1.000000	1.041990	02/26/19	99.453000	100,000,000.00	99,928,147.98	99,453,000.00	-475,147.98	1,041,989.97
2824	FED HOME LN BANK	1.375000	1.491832	03/18/19	100.093000	25,000,000.00	24,948,523.03	25,023,250.00	74,726.97	372,958.11
2825	FED HOME LN BANK	1.375000	1.491832	03/18/19	100.093000	50,000,000.00	49,897,046.07	50,046,500.00	149,453.93	745,916.22
2706	US TREASURY NOTE	1.625000	.960279	03/31/19	100.648000	100,000,000.00	101,200,017.66	100,648,000.00	-552,017.66	960,279.19
2521	Royal BK Canada	1.625000	1.643864	04/15/19	99.556000	40,000,000.00	39,986,277.62	39,822,400.00	-163,877.62	657,545.73
2732	US TREASURY NOTE	3.125000	1.225212	05/15/19	103.563000	50,000,000.00	51,824,969.79	51,781,500.00	-43,469.79	612,605.92
2862	US TREASURY NOTE	.875000	1.268463	05/15/19	99.219000	50,000,000.00	49,621,701.22	49,609,500.00	-12,201.22	634,231.60
2614	WELLS FARGO BANK	1.750000	1.272829	05/24/19	99.884000	50,000,000.00	50,462,010.57	49,942,000.00	-520,010.57	636,414.58
2657	WELLS FARGO BANK	1.750000	1.405147	05/24/19	99.884000	25,000,000.00	25,166,726.92	24,971,000.00	-195,726.92	351,286.75
2532	US Treasury Note	1.500000	1.008230	05/31/19	100.430000	50,000,000.00	50,482,142.85	50,215,000.00	-267,142.85	504,114.78
2833	BANK OF NOVA SCOTIA	2.050000	1.955880	06/05/19	100.322000	15,000,000.00	15,027,456.69	15,048,300.00	20,843.31	293,381.95
2709	US TREASURY NOTE	1.625000	.973093	06/30/19	100.680000	100,000,000.00	101,336,009.82	100,680,000.00	-656,009.82	973,093.39
2727	US TREASURY NOTE	.750000	1.201343	07/15/19	98.859000	50,000,000.00	49,529,825.87	49,429,500.00	-100,325.87	600,671.53
2627	ROYAL BK CANADA	1.500000	1.539030	07/29/19	99.097000	50,000,000.00	49,958,980.81	49,548,500.00	-410,480.81	769,515.00
2608	TORONTO DOM BANK	1.450000	1.453116	08/13/19	99.106000	20,000,000.00	19,998,716.37	19,821,200.00	-177,516.37	290,623.29
2664	CAN IMPERIAL BK	1.600000	1.606170	09/06/19	99.177000	30,000,000.00	29,995,921.66	29,753,100.00	-242,821.66	481,850.93
2693	US TREASURY NOTE	.875000	1.034103	09/15/19	99.008000	100,000,000.00	99,641,913.66	99,008,000.00	-633,913.66	1,034,103.07
2816	JP MORGAN CHASE CA	1.650000	1.834326	09/23/19	99.499000	15,688,000.00	15,623,005.51	15,609,403.12	-13,602.39	287,769.12
2834	JP MORGAN CHASE CA	1.650000	1.882311	09/23/19	99.499000	27,230,000.00	27,087,992.58	27,093,577.70	5,585.12	512,553.16
2695	US TREASURY NOTE	1.000000	1.000000	09/30/19	99.270000	100,000,000.00	100,000,000.00	99,270,000.00	-730,000.00	1,000,000.00
2565	PNC BANK NA CALLAB	2.400000	1.830387	09/18/19C	101.120000	15,000,000.00	15,194,023.09	15,168,000.00	-26,023.09	274,558.12
2568	PNC BANK NA CALLAB	2.400000	1.832954	09/18/19C	101.120000	5,000,000.00	5,064,381.11	5,056,000.00	-8,381.11	91,647.70
2703	FANNIE MAE	1.000000	1.091132	10/24/19	99.045000	100,000,000.00	99,785,649.00	99,045,000.00	-740,649.00	1,091,132.43
2002	US BANK NA OHIO CA	2.125000	2.144078	09/28/19C	100.868000	25,000,000.00	24,989,168.91	25,217,000.00	227,831.09	536,019.57
2121	US BANK NA OHIO CA	2.125000	2.005089	09/28/19C	100.868000	20,000,000.00	20,053,809.20	20,173,600.00	119,790.80	401,017.89
2729	FED HOME LN BANK	1.375000	1.382876	11/15/19	99.868000	35,000,000.00	34,993,393.56	34,953,800.00	-39,593.56	484,006.74
2781	US TREASURY NOTE	1.375000	1.504545	01/15/20	100.016000	100,000,000.00	99,668,588.57	100,016,000.00	347,411.43	1,504,544.64
2788	APPLE INC	1.550000	1.810661	02/07/20	99.671000	14,034,000.00	13,938,802.88	13,987,828.14	49,025.26	254,108.19
2888	MICROSOFT CORP CAL	1.850000	1.736140	02/12/20	100.480000	36,104,000.00	36,211,388.36	36,277,299.20	65,910.84	626,816.11
2864	US TREASURY NOTE	1.250000	1.366848	02/29/20	99.602000	100,000,000.00	99,685,964.34	99,602,000.00	-83,964.34	1,366,847.73
2815	WALT DISNEY CO	1.950000	1.959000	03/04/20	100.555000	15,000,000.00	14,996,410.15	15,083,250.00	86,839.85	293,850.04

KING COUNTY TREASURY OPERATIONS
SEATTLE, WASHINGTON

P O R T F O L I O D E T A I L F I N A N C I A L A N A L Y S I S
AS OF 5/31/17

(MANFIN)

SORTING ORDER: MATD

PAGE: 4

RUN: 06/08/17 14:05:44

** FIXED INCOME **

INVSMT NUMBER	DESCRIPTION	INTEREST RATE	YIELD	MAT/CALL DATE	MARKET PRICE	CURRENT PAR	CURRENT BOOK	MARKET VALUE	UNREALIZED GAIN/LOSS	ANNUAL INCOME
2880	FED HOME LOAN BANK	1.875000	1.588108	03/13/20	101.063000	100,000,000.00	100,776,486.69	101,063,000.00	286,513.31	1,588,107.64
2908	APPLE INC	1.800000	1.835100	05/11/20	100.102000	20,000,000.00	19,979,990.88	20,020,400.00	40,409.12	367,020.04
2490	US Treasury Note	1.500000	1.432685	05/31/20	100.145000	100,000,000.00	100,194,677.54	100,145,000.00	-49,677.54	1,432,685.42
2874	MICROSOFT CORP CAL	2.000000	1.789729	11/03/20	100.755000	16,945,000.00	17,062,585.02	17,072,934.75	10,349.73	303,269.64
2876	MICROSOFT CORP CAL	2.000000	1.789729	11/03/20	100.755000	7,535,000.00	7,587,287.00	7,591,889.25	4,602.25	134,856.11
2873	US TREASURY NOTE	1.375000	1.647276	01/31/21	99.254000	50,000,000.00	49,517,586.63	49,627,000.00	109,413.37	823,637.88
2884	US TREASURY NOTE	1.375000	1.679014	01/31/21	99.254000	50,000,000.00	49,461,726.70	49,627,000.00	165,273.30	839,506.85
2875	MICROSOFT CORP CAL	1.550000	1.949002	08/08/21	98.451000	24,182,000.00	23,796,212.23	23,807,420.82	11,208.59	471,307.73
695	FNR 2003-30 LB	5.000000	4.634180	03/25/32	106.631000	1,111,463.20	1,133,409.84	1,185,164.32	51,754.48	51,507.21
701	FNR 2003-33 PT	4.500000	4.255767	05/25/33	107.758000	1,618,411.00	1,641,050.91	1,743,967.33	102,916.42	68,875.80
702	FNR 2003-33 UP	4.500000	4.255767	05/25/33	106.264000	1,108,569.34	1,124,077.09	1,178,010.12	53,933.03	47,178.13
703	FNR 2003-33 PU	4.500000	4.255767	05/25/33	107.817000	1,395,019.35	1,414,534.24	1,504,068.01	89,533.77	59,368.77
G R A N D T O T A L S		1.000615	1.089744	JUN 2018	99.873673	7,208,860,122.45	7,209,046,073.34	7,199,562,547.65	-9,483,525.69	78,565,036.32
=====										

Victoria Recovery Status as of 5/31/2017

Original Cost	\$51,937,149
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Original Par	\$53,300,000	
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Less Accrued not distributed	\$420,537	
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Adjusted Par	\$52,879,463
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Recovered to date	\$45,114,433	85.3%
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Current Par Amount Outstanding	\$7,765,030
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Current Cost Outstanding	\$6,822,716
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Cash Receipts:

	2008	\$7,990,692.29
	2009	\$6,910,588.46
	2010	\$5,443,668.21
	2011	\$7,793,105.01
	2012	\$4,820,226.87
	2013	\$3,388,703.17
	2014	\$3,696,981.20
	2015	\$2,778,796.49
	2016	\$1,526,846.94
	2017	\$764,824.31
	Total	\$45,114,432.95

**Impaired Pool
Holdings Report
5/31/2017**

Commercial Paper Issuer	Status	Current Book Value	Estimated Fair Value	Fair Value Adjustment
Cheyne Finance (1)	Restructured - Cash Out	787,502.14	507,750.00	279,752.14
Rhinebridge (1)	Restructured - Cash Out	84,407.60	84,407.60	-
Victoria Finance (VFNC Trust) (2)	Restructured - Receiving Monthly Cash Payments	7,765,030.05	5,030,487.00	2,734,543.05
		Total	8,636,939.79	5,622,644.60
				3,014,295.19

Fair Value Ratio	0.6510
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(1) After consulting with the County's financial advisor, the County choose to select the "cash out" option for the Cheyne and Rhinebridge restructurings. However, the Receivers for these programs held back a portion of the cash for various indemnifications. The fair values shown on this report represent the County's potential cash recovery from the amounts being retained by the Receivers. Rhinebridge may make one last small payment later this year.

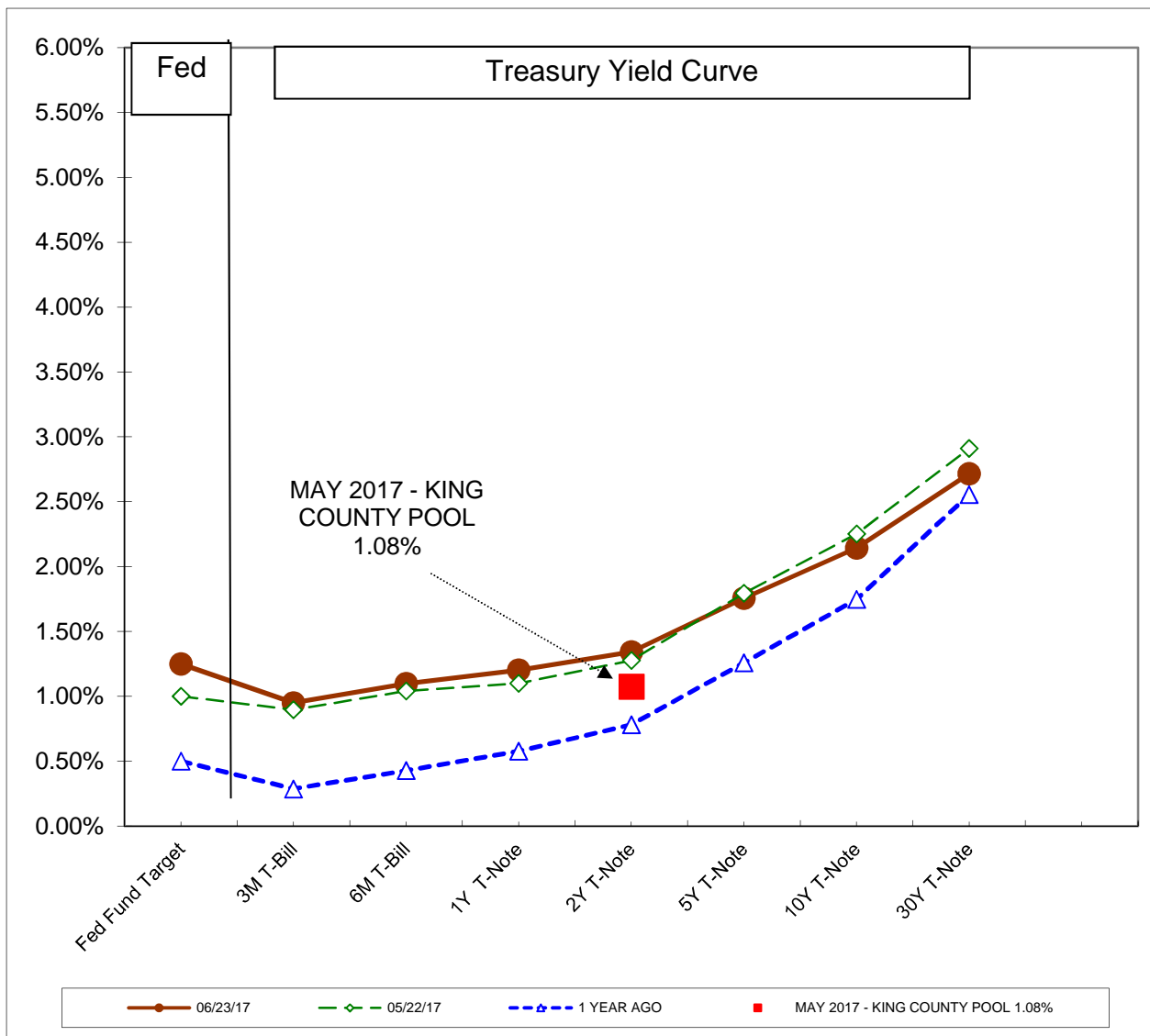
(2) During September 2009, the County completed the restructuring process for Victoria. Based on consultations with legal and financial experts, the County elected to participate in an "Exchange Offer" in which the County's pro rata share of assets in Victoria were transferred to a new company titled VFNC Trust. At the time of Victoria's restructuring the County's financial advisor estimated that by participating in the exchange offer that the overall recovery rate could be between 50 to 76 percent, and potentially higher. The VFNC Trust investment replaced Victoria in the "impaired pool" and it continues to make monthly cash distributions. It is expected that future monthly distributions will continue for at least 5 or 6 more years, or as long as the underlying securities continue to make cash payments. We do not foresee distributing any realized losses related to Victoria until it is apparent that no further cash flows will be forthcoming. Adding the cash recoveries through March and assuming that the asset could be sold at the assumed prices for the underlying securities, the current estimated total recovery would be approximately 95% of the original investment's adjusted par amount.

Combined Earnings History for Impaired and Non-Impaired Pools

	(A)	(B)	(A) + (B)
	<i>Distributed Realized Gains/Losses Resulting from Impaired Investments Purchased in 2007 ⁽³⁾</i>	<i>Total Pool Earnings Distribution</i>	<i>Net Pool Earnings Distributed</i>
YTD 2017	\$0	\$27,569,454	\$27,569,454
2016	\$189,049	\$50,641,904	\$50,830,953
2015	(\$427,263)	\$33,344,087	\$32,916,824
2014	\$0	\$26,330,761	\$26,330,761
2013	\$0	\$24,331,721	\$24,331,721
2012	(\$1,204,894)	\$25,978,721	\$24,773,827
2011	\$0	\$29,270,651	\$29,270,651
2010	\$0	\$42,160,462	\$42,160,462
2009	\$0	\$71,036,470	\$71,036,470
2008	(\$73,296,907)	\$135,838,883	\$62,541,976
2007	\$0	\$199,099,971	\$199,099,971
2006	\$0	\$165,576,358	\$165,576,358

(3) Figures have not been adjusted for recoveries from legal settlements.

INTEREST RATE SUMMARY



	06/23/17	05/22/17	1 YEAR AGO
Fed Fund Target	1.25%	1.00%	0.50%
3M T-Bill	0.95%	0.90%	0.29%
6M T-Bill	1.10%	1.04%	0.43%
1Y T-Note	1.20%	1.10%	0.58%
2Y T-Note	1.34%	1.28%	0.78%
5Y T-Note	1.76%	1.79%	1.26%
10Y T-Note	2.14%	2.25%	1.75%
30Y T-Note	2.72%	2.91%	2.56%

King County Executive Finance Committee

Interfund Borrowing Report for EFC, JUN 28, 2017 (MAY-2017 period)

Below is a summary of the causes of the current deficit cash balances.

Funds listed in Black have a description of the cause of the deficit; funds listed in Blue have an EFC-approved loan in place.

Items in Green have not yet been analyzed or needs to be revisited; items in Red appear unusual in nature and should be discussed during today's meeting.

Interest on Interfund Loans - County Tier 2 Funds Paying Interest						
Item #	Fund No.	AVG Borrowed	Fund Name	Description		
APPRV'D	A1	00-000-180-0	(6,237,208.88)	PUBLIC HEALTH	Approved interfund loan in place	
Pooled Tier 1 Funds with Negative Cash Balances						
Item #	Fund No.	Lowest Cash	Average Cash	Fund Name	Description	
F	B1	00-000-121-0	(713,985.02)	102,405.18	SHARED SERVICES FUND	Transfers pending. Invoicing in process.
APPRV'D	B2	00-000-139-6	(10,529,260.46)	(10,529,253.10)	RISK ABATEMENT/2006 FUND	Approved interfund loan in place
F	B3	00-000-142-1	(405,214.58)	(9,412.85)	COMMUNITY SERVICES OPERATING	Delay in receipts (grants & taxes)
D	B4	00-000-145-3	(237,635.08)	20,363,669.59	PARKS OPEN SPACE AND TRAILS LI	Error-misinterpreted report amount
B	B5	00-000-156-1	(1,287,346.79)	(1,015,465.89)	KC FLD CNTRL OPR CONTRACT	Reimbursement from District has long approval process
B	B6	00-000-246-4	(1,115,390.72)	(903,856.66)	HOUSING OPPORTUNITY FUND	Fund to be closed in June.
B	B7	00-000-316-0	(457,151.70)	(205,632.86)	FMD-PARKS,REC,OPEN SPACE	Pending reimbursement of late Jan charges
APPRV'D	B8	00-000-331-0	(2,411,540.59)	(1,268,904.11)	LONG-TERM LEASES	Pending reimbursement of prepayments made in Dec.
B	B9	00-000-349-0	(248,525.82)	56,105.37	FMD - PARKS FACILITIES REHAB	Pending revenue transfer
B	B10	00-000-352-2	(293,183.24)	(286,335.54)	OS KC NON BND FND SUBFUND	Pending revenue transfer
A	B11	00-000-357-1	(1,755,530.16)	557,851.72	KC FLD CNTRL CAP CONTRACT	Reimbursement from District has long approval process
F	B12	00-000-361-2	(828.71)	(627.61)	WTD INTERNALLY FINANCED PROJ	Pending transfer from 361-1
APPRV'D	B13	00-000-390-1	(7,181,365.29)	(6,966,502.05)	SOLID WASTE CONSTRUCTION	Approved bridge loan in place
Excluded County Funds with Negative Cash Balances - Tier 2 Funds Not Paying Interest						
Item #	Fund No.	Lowest Cash	Average Cash	Fund Name	Description	
B	C1	00-000-216-9	(13,934.11)	(13,561.08)	BYRNE JAG GRANT FFY 2014	Pending grant reimbursement
B	C2	00-000-217-1	(19,226.23)	(13,417.33)	BYRNE JAG GRANT FFY 2016	Pending grant reimbursement

A: Reimbursement funds - reimbursements are collected periodically from other Agencies
 B: Reimbursement funds - pay expenditures first, get reimbursed later, internal to the county
 C: Subfund cash transfers - different subfunds within one Agency
 D: Known accounting or cash transfer error
 E: Anticipated seasonality of receipts
 F: Timing issue of receipts and disbursements

Interfund Loans to District & Non-County Funds
May 2017

Fund Number	Fund Name	Average Borrowed	Average Cash Balance	Total Borrowed	Comment
061216080	WORKERS COMP TRST EXCESS	(\$878.81)	\$7,660.17	(\$5,272.88)	Now positive
070350010	BEAUX ARTS GEN TAX REG FD	(\$500.43)	\$1,936.31	(\$10,008.60)	<= Non-District Fund
070360010	BELLEVUE GEN TAX REG FUND	(\$26,980.46)	\$1,128,260.16	(\$53,960.92)	<= Non-District Fund
070420010	BLACK DIAMOND GEN TX RG C	(\$212.97)	\$33,023.45	(\$1,490.79)	<= Non-District Fund
070450020	BOTHELL LIFT REV	(\$5.37)	\$2.30	(\$37.60)	<= Non-District Fund
070454010	BOTHELL DRAINAGE UTILITY	(\$10.39)	\$33,734.38	(\$10.39)	<= Non-District Fund
070530010	BURIEN GENERAL	(\$1,235.02)	\$145,767.35	(\$8,645.14)	<= Non-District Fund
070610010	CARNATION GEN TAX REG T	(\$167.41)	\$9,371.61	(\$2,176.31)	<= Non-District Fund
070720010	CLYDE HILL GEN TAX REG T	(\$182.60)	\$33,340.98	(\$2,373.80)	<= Non-District Fund
070800010	COVINGTON GENERAL TAX	(\$144.61)	\$54,587.34	(\$578.44)	<= Non-District Fund
070950010	DES MOINES GEN TAX REG C	(\$510.18)	\$97,706.87	(\$1,530.53)	<= Non-District Fund
071110010	DUVALL GEN TAX REGULAR T	(\$203.71)	\$29,971.35	(\$1,222.27)	<= Non-District Fund
071640010	FEDERAL WAY GEN TAX REG	(\$2,086.78)	\$205,734.10	(\$2,086.78)	<= Non-District Fund
071640020	FEDERAL WAY LIFT REV	(\$0.59)	(\$0.10)	(\$8.84)	<= Non-District Fund
071644010	FED WAY DRAINAGE UTILITY	(\$1,172.89)	\$53,951.12	(\$18,766.29)	<= Non-District Fund
072320010	HUNTS POINT GEN TAX REG T	(\$95.21)	\$5,875.38	(\$476.05)	<= Non-District Fund
073050010	KENT GEN TAX REG C	(\$775.10)	\$458,789.16	(\$775.10)	<= Non-District Fund
073310010	LAKE FOREST PK GN TX RG C	(\$583.76)	\$61,786.35	(\$8,172.71)	<= Non-District Fund
073500010	MAPLE VALLEY GENERAL TAX	(\$107.34)	\$81,004.20	(\$107.34)	<= Non-District Fund
073660010	MERCER ISLAND GN TX REG C	(\$3,921.71)	\$244,270.24	(\$23,530.28)	<= Non-District Fund
074060010	NORTH BEND GEN TAX REG T	(\$36.14)	\$21,007.55	(\$36.14)	<= Non-District Fund
075200010	RENTON GEN TAX REG C	(\$279.10)	\$411,225.59	(\$279.10)	<= Non-District Fund
075300010	SAMMAMISH GEN TAX REG	(\$680.04)	\$483,853.00	(\$2,720.16)	<= Non-District Fund
075420010	SEATAC GEN TAX REG	(\$1,500.93)	\$180,525.00	(\$15,009.29)	<= Non-District Fund
075424010	SEA-TAC DRAINAGE UTILITY	(\$23.12)	\$46,228.47	(\$92.48)	<= Non-District Fund
075450010	SEATTLE GEN TAX REG C	(\$65,697.24)	\$6,999,952.06	(\$394,183.45)	<= Non-District Fund
075451190	SEATTLE EMS TAX FUND	(\$6,870.37)	\$581,272.90	(\$48,092.59)	<= Non-District Fund
075458510	SEATTLE GO BOND FUND	(\$3,581.33)	\$366,423.42	(\$21,487.97)	<= Non-District Fund
075480010	SHORELINE GENERAL TAX	(\$0.81)	\$249,759.34	(\$0.81)	<= Non-District Fund
075510010	SKYKOMISH GEN TAX REG T	(\$18.65)	\$767.25	(\$261.14)	<= Non-District Fund
075540010	SNOQUALMIE GEN TAX REG T	(\$994.21)	\$164,002.85	(\$994.21)	<= Non-District Fund
075548510	CT OF SNOQUALMIE GO BD	(\$38.72)	\$3,332.59	(\$38.72)	<= Non-District Fund
075910010	TUKWILA GEN TAX REG C	(\$1,104.98)	\$279,737.59	(\$5,524.91)	<= Non-District Fund
076510010	WOODINVILLE GENERAL	(\$148.18)	\$63,511.56	(\$592.72)	<= Non-District Fund
076514010	WOODINVILLE DRAINAGE UTIL	(\$43.58)	\$20,845.40	(\$174.32)	<= Non-District Fund
082050010	DRAINAGE 5 MAINTENANCE	(\$5,220.15)	\$2,836.64	(\$5,220.15)	Now positive
100623010	PUGET SOUND RFA CAPITAL	(\$45,671.77)	\$59,291.63	(\$1,004,779.01)	Now positive
Report Total:		(\$171,684.66)	\$12,621,345.56	(\$1,640,718.23)	

DEFINITIONS

Total Borrowed	Sum of all daily ending negative cash balances for a fund in a particular month.
Average Borrowed	Total borrowed by a fund divided by the number of days in a particular month that the fund had a negative ending balance.
Average Cash Balance	Sum of all ending cash balances (positive & negative) for an entire month divided by the number of days in that month.

Interfund Borrowings from Surplus King County Cash (Automated System)
05/31/17

Borrowing Entity	Borrowing Fund Number	Fund Name	Reason For Loan & Repayment Method	Loan Amount Authorized	Fund Balance at Month-end	Average Amount Borrowed	Interest Paid in Current Month	Term of Loan	Loan Rate	Lending Entity	Date of EFC Approval
King County	00-000-1341	DPER Abatement Sub-Fund	Clean-up construction materials at processing center on MLK Way South. Repayment from sale of property	<u>Original Loan</u> \$400,000	\$112,499	\$0	\$0	12/31/2018	Pool Rate	King County Surplus Cash	6/24/2015
King County	00-000-1396	Risk Abatement Fund	Bridge loan until bonds can be issued.	<u>Original Loan</u> \$10,500,000	(\$10,529,032)	\$10,529,253	\$9,626	6/30/2017	Pool Rate	King County Surplus Cash	12/7/2016
King County	00-000-1800	Public Health Fund	Unmatched reimbursements. Repayment from grant billings, grantor payments, and environmental health permit payments.	<u>Original Loan</u> \$12,000,000 <u>Revised Amt:</u> \$19,000,000 <u>Revised Amt:</u> \$26,000,000 <u>Revised Amt:</u> \$30,000,000 <u>Revised Amt:</u> \$40,000,000 Revised Amt: \$15,000,000	\$2,831,906	\$6,237,209	\$4,614	7/31/2013 10/31/2013 4/30/14 1/31/2015 1/28/2015 12/31/16 12/31/17	Pool Rate	King County Surplus Cash	5/22/2013 7/24/2013 12/4/2013 5/28/2014 12/26/2014 1/28/2015 12/2/2015 12/7/2016
King County	00-000-3310	Long Term Lease Fund	Support Phase 4 of King Street Center work space consolidation. Repayment from lease payments.	<u>Original Loan</u> \$2,000,000 Revised Amt: \$4,000,000	(\$2,411,541)	\$1,268,904	\$1,160	12/31/2023	Pool Rate	King County Surplus Cash	12/7/2016 2/22/2017
King County	00-000-3781	KCIT Capital Fund	Fill gap for Mainframe and Unified Communication project not fully covered by bond proceeds.	<u>Original Loan</u> \$5,200,000	\$4,183,270	\$0	\$0	12/31/2019	Pool Rate	King County Surplus Cash	6/25/2014
King County	00-000-3855	County Road Major Maintenance Fund	Short term funding for cash flow requirements in the months leading up to the receipt of property taxes in April and October	<u>Original Loan</u> \$8,000,000	\$9,366,856	\$0	\$0	12/31/2018	Pool Rate	King County Surplus Cash	12/7/2016
King County	00-000-3865	County Road Construction Fund	Short term funding for cash flow requirements in the months leading up to the receipt of property taxes in April and October	<u>Original Loan</u> \$2,000,000	\$1,241,494	\$0	\$0	12/31/2018	Pool Rate	King County Surplus Cash	12/7/2016
King County	00-000-3901	SWD Construction Fund	Bridge loan until bonds can be issued.	<u>Original Loan</u> \$15,000,000	(\$7,181,365)	\$5,866,261	\$5,363	6/30/2017	Pool Rate	King County Surplus Cash	8/24/2016
King County	00-000-3951	Building Repair & Replacement Fund	Support Phase 2 of King Street Center work space consolidation. Repayment from lease payments.	Original Loan \$2,275,600 Revised Amt \$4,976,000				12/31/2020	Pool Rate	King County Surplus Cash	5/27/2015 1/27/16
King County	00-000-3951	Building Repair & Replacement Fund	Bridge loan until bonds can be issued.	Original Loan \$3,500,000				9/30/2017	Pool Rate	King County Surplus Cash	4/26/2017
	00-000-3951	Total BR&R Fund		\$8,475,000	(\$5,316,817)	\$6,966,502	\$6,369				
King County	00-000-5531	KCIT Services Fund	Establish an escrow account for data center bond defeasance. Repayment from existing KCIT rates.	Original Loan \$8,100,000	\$7,098,050	\$0	\$0	12/31/2023	Pool Rate	King County Surplus Cash	2/24/2016
King County	10-063-0010	Renton Regional Fire Authority	The RRFA is a newly established entity and will incur expenses prior to initial tax and FBC collections.	Original Loan \$5,170,000	\$13,641,902	\$0	\$0	12/31/2018	Pool Rate	King County Surplus Cash	9/28/2016

Interfund Borrowings (Direct Loans)
05/31/17

Borrowing Entity	Borrowing Fund Number	Fund Name	Reason For Loan & Repayment Method	Loan Amount Authorized	Loan Outstanding at Month-end	Fund Balance At Month-end	Interest Paid	Term of Loan	Loan Rate	Lending Entity	Date of EFC Approval
King County	00-000-3160	Parks and Recreation Open Space Construction Fund	Borrowing is necessary to fulfill the legislative intent of Ordinance 17759 - a use agreement with the Ravensdale Park Foundation. Repayment from REET II revenue.	\$1,475,000	\$475,000	(\$457,152)	N/A	12/31/2017	Pool Rate	Parks and Recreation Fund (1451)	3/26/2014